

## **Minutes of the Finance Committee**

**Wednesday, February 17, 2010**

Chair Haukohl called the meeting to order at 8:30 a.m.

**Present:** Supervisors Pat Haukohl (Chair), Pamela Meyer, Steve Wimmer, Bill Zaborowski, Jean Tortomasi, Jim Heinrich, and Rob Hutton.

**Also Present:** Chief of Staff Mark Mader, Legislative Policy Advisor Sarah Spaeth, Senior Financial Analysts Bill Duckwitz and Clara Daniels, Office Services Coordinator Karen Cooper, Co-Project Coordinators for Waukesha County Drug Free Communities Coalition Ellen Shiflet and Irene Secora, Marshfield Clinic AmeriCorps Member serving Waukesha County Drug Free Communities Coalition Erin Drout, Budget Manager Keith Swartz, Emergency Preparedness Director Rich Tuma, Treasurer Pam Reeves, Federated Library Director Tom Hennen, Inspector Steve Marks, Public Works Director Allison Bussler, Business Manager Betsy Crosswaite, Highway Operations Manager Pete Chladil, Budget Specialist Linda Witkowski, Heather Acker and Don Rahn of Baker Tilly Virchow Krause LLP, Accounting Services Manager Larry Dahl, Internal Audit Manager Lori Schubert, Principal Financial Projects Analyst Bob Ries, Principal Financial Projects Analyst Cindy Behrens, Public Health Supervisor Irene Ridgeman, Accounting Services Coordinator Cynthia Lilley, Administrative Services Manager Russ Kutz, Health & Human Services Deputy Director Don Maurer, and Aging & Disability Resource Manager Cathy Bellovary. Recorded by Mary Pedersen, County Board Office.

### **Approve Minutes of 1-20-10**

MOTION: Tortomasi moved, second by Heinrich to approve the minutes of January 20. Motion carried 7-0.

### **Schedule Next Finance Committee Meeting Date(s)**

- March 3

### **Chair Haukohl's Executive Committee Report of 1-25-10 & 2-15-10**

- Heard an update on Information Systems projects including issues with finding a new computer aided dispatch (CAD) system; delays with the tax system, countywide cashiering, and human services automation; and conversion issues for the tract index system.
- Heard a presentation on the information technology controls audit, of which the County received a grade of B+.
- Approved various ordinances and appointments.
- Heard an appeal by an outside group for an affordable housing trust fund.

### **Ordinance 164-O-084: Modify The Waukesha County UW-Extension 2010 Budget To Accept Funding From Waukesha School District For Substance Abuse Prevention Project (SAPP)**

Shiflet discussed this ordinance which involves accepting a \$20,570 grant to carry out SAPP, a pilot project at three Waukesha schools: Blair Elementary and Butler and Central Middle Schools. Three lead facilitators will teach students how to avoid risky behavior such as drug and alcohol abuse, and develop life skills. Parents will also be involved in the project. Staff will monitor these students, who will remain anonymous, to gauge recidivism and project effectiveness. The project period runs through June 30, 2010. There are no ongoing project costs after the end of the project period. The majority of

the funding is for personnel costs. Haukohl asked for a future update on results. Shiflet welcomed the opportunity.

MOTION: Wimmer moved, second by Meyer to approve Ordinance 164-O-084. Motion carried 7-0.

**Ordinance 164-O-088: Accept Homeland Security-Urban Area Security Initiative FY2009 Program Funding And Modify The Emergency Preparedness 2010 Budget To Appropriate Grant Revenues And Expenditures For Interoperable Communications Projects**

Tuma discussed this ordinance which involves accepting a \$152,000 grant to pay for additional radios for the Town and Village of Mukwonago and the Village of Menomonee Falls to allow access to the 800 MHz trunking system and expand interoperability capabilities during emergencies. The grant period ends November 30, 2010.

MOTION: Tortomasi moved, second by Heinrich to approve Ordinance 164-O-088. Motion carried 7-0.

**Final Report on In-Rem Foreclosure Actions**

Reeves indicated an auction was held on January 15, 2010 for nine properties taken through the tax foreclosure process. The only two parcels which included homes were in Brookfield and New Berlin and both sold. Reeves indicated a landlocked parcel in New Berlin went on the auction block for \$5,000 and sold for \$34,000 by an adjacent landowner. Other small remnants were also bought by adjacent landowners. Of the nine parcels, two remnant pieces did not sell. To answer Haukohl's question, Reeves advised the County netted about \$37,600 from this auction which Reeves described as successful.

MOTION: Hutton moved, second by Meyer to approve the final report on in-rem foreclosure actions. Motion carried 7-0.

**Ordinance 164-O-083: Reauthorize "Helping Patrons In The Job Market" Grant For Federated Library System And Modify The 2010 Federated Library System Budget**

Hennen explained this ordinance which involves accepting \$18,000 in grant funding to continue a project titled "Helping Patrons in the Job Market." This includes \$12,200 for the LearningExpress online resource and \$5,500 to hire instructors to provide job information sessions at participating member libraries. No local match dollars are required although it is estimated that the project will consume about 100 hours of the reference librarian's time which is State funded and already included in the budget.

To answer Wimmer's question, Hennen said he did not know how many people actually found jobs through the program but he did note that about 300 people per month utilized the program which translates to about \$3 per session. Wimmer and Haukohl felt some sort of follow-up was necessary to gauge program success. Hennen suggested an online survey which Haukohl thought was a good idea. Hutton believed this was an overlap of programs by other agencies and was also concerned there is no measurement of results.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 164-O-083. Motion carried 6-1. Hutton voted no.

**Review and Revise the Finance Committee Future Agenda Items List**

The committee reviewed and revised their future agenda items list.

**Ordinance 164-O-086: Acceptance Of Computer Equipment Donation From The Innocent Justice Assistance Foundation**

Marks reviewed this ordinance which involves accepting donated computer equipment (\$12,000 estimated value) from the Innocent Justice Assistance Foundation whose mission is to assist law enforcement agencies nationwide to protect children and keep predators off the streets.

MOTION: Wimmer moved, second by Meyer to approve Ordinance 164-O-086. Motion carried 7-0.

**Ordinance 164-O-087: Amend Sheriff's Department 2010 Budget Expenditure Of Donated Funds**

Marks explained this ordinance which authorizes the Department to appropriate up to \$16,000 in donated funds to acquire and train a dog to replace a retiring canine unit dog. Any additional ongoing costs are expected to be minimal and will be absorbed within the Sheriff's budget.

MOTION: Zaborowski moved, second by Tortomasi to approve Ordinance 164-O-087. Motion carried 7-0.

**Ordinance 164-O-081: Modify The Transportation Fund 2009 Budget For Additional Year End State And County Highway Maintenance Work**

Bussler, Crosswaite, and Chladil discussed this ordinance which involves appropriating additional State revenues of \$255,000 for State highway maintenance costs for overtime and equipment. The ordinance also authorizes a transfer of unspent County funds totaling \$200,000 from Interdepartmental into Operating for materials and equipment associated with County highway maintenance costs. These actions are primarily due to weather conditions creating higher than budgeted snow removal and road repair costs in 2009.

MOTION: Tortomasi moved, second by Heinrich to approve Ordinance 164-O-081. Motion carried 7-0.

**Ordinance 164-O-085: Modify Capital Project 200011 CTH L, CTH Y To Moorland Road And Reduce Debt Borrowing And Other Funding In The 2010 Capital Budget**

Witkowski said this ordinance modifies the capital project by shifting \$3 million from 2010 to 2011 for the Janesville Road project. This does not change the total project cost. Once staff examined the cash flow it became apparent this money will most likely be used next year. Witkowski advised that this modification will reduce our borrowing \$1 million which also helps manage borrowing for other project purposes.

Haukohl asked how this will affect borrowing in 2011. Witkowski said they are not increasing borrowing next year and they will review the overall plan when they start the next five-year cycle. There will probably be some project shifting, as usual, and they will examine needs at that time for borrowing purposes.

MOTION: Heinrich moved, second by Wimmer to approve Ordinance 164-O-085. Motion carried 7-0.

### **Planning Meeting for the 2009 Audit**

Acker highlighted a letter to the Finance Committee from Baker Tilly, the County's outside auditor of financial statements, communicating certain requirements during the planning phase for the 2009 audit. Acker went on to explain the scope of the audit, requirements and responsibilities, audit timelines, and she allowed the opportunity for committee feedback/concerns.

Heinrich referred to the recent embezzlement of congregate meal site donations by a former County employee. It was noted that a full report on this issue is scheduled for the March 3 Finance Committee meeting. Acker said Baker Tilly is hired to express an opinion in a way that tells an outside reader (anybody that uses the reports such as rating agencies) whether the numbers included in the financial reports can be relied upon. As part of the audit, staff spends months each year understanding the accounts and significant transactions where risks could lie in the County, and then address those risks. Regarding the above-stated embezzlement, Acker said it did not rise to the level of materiality as defined by the standards for how a reader might otherwise form an opinion over the report. That being said, \$40,000 is significant to many people but it would not alter a reader's judgment about the County's overall financials. Regarding external audits, Acker said as much as they wish they could perform an audit to identify every transaction, the standards are set which she explained further. Acker stated that when anything out of the ordinary occurs for major transactions (e.g., payroll, procards, and taxes), they are examined extensively. Haukohl said the County is changing procedures due to the embezzlement and Baker Tilly does review new procedures.

Acker noted in the last couple of weeks, four government frauds were reported in the State of Wisconsin and each was done differently. She said there is always a balancing act of what the public perception is and what should be done. It is Baker Tilly's desire to help out whenever new risks are identified. Newer standards are more process and cycle driven and not quite as much numbers driven.

Wimmer thought if every account was subject to a random check by our auditors as opposed to the department, it might reduce fraudulent activity. Acker advised they are currently forming a strategy to incorporate this procedure beginning this year.

### **Ordinance 164-O-091: Transfer Carryover Funds From 2009 Unexpended Appropriations To 2010 Budgeted Appropriations**

Dahl and Ries discussed this ordinance as outlined which included information on project, amount approved, and justification. Dahl asked that the \$9,300 for database development in the Parks & Land Use Department be removed from the list. The correct total to be carried over from 2009 to 2010 is \$8,648,481. Mader noted that a significant portion of carryovers is in Community Development Block Grant funds as we typically run into timing issues due to the State, County, and Federal governments having different budget cycles.

MOTION: Hutton moved, second by Tortomasi to approve Ordinance 164-O-091 as amended. Motion carried 7-0.

The committee recessed at 12:10 p.m. and reconvened at 12:50 p.m.

**Ordinance 164-O-089: Appropriate State Of Wisconsin Division Of Public Health Women, Infant And Children Nutrition Program 2010 Grant Funding Increases To The Waukesha County Department Of Health And Human Services**

Ridgeman, Maurer, and Kutz explained this ordinance as outlined which involves accepting \$19,788 in grant funds for breastfeeding counseling and promotional services from January 2010 through December 2010. Ridgeman said \$14,613 will be used to hire Public Health Technicians as temporary extra help including related benefits. The State will provide the necessary training at no charge to the County. The remaining \$5,175 will cover office and other supplies; tuition, training and travel related expenses; promotional costs; and Health & Human Services administrative and County indirect cost recovery. Ridgeman estimates that about 1,000 women will be served by the program. Staff plan to continue the program after the grant period ends by using existing trained in-house staff.

MOTION: Heinrich moved, second by Meyer to approve Ordinance 164-O-089. Motion carried 7-0.

**Ordinance 164-O-090: Appropriate Additional Federal Funding For The Birth To Three Program To The 2010 Budget Of The Department Of Health And Human Services**

Maurer said this ordinance involves accepting \$171,290 in federal stimulus funds, of which \$120,040 will be appropriated for additional contracted Birth to Three services from Lutheran Social Services and \$51,250 will be used to offset a federal revenue reduction being passed through to the County from the State. Funds will be used for early intervention contracted staffing for an educator or therapist who may otherwise have been laid off (\$25,612), contracted Birth to Three Manager partial funding (\$51,000), 25 laptop computers for Lutheran Social Services for the Birth to Three Program (\$30,000), child adolescent needs and strength training (\$8,428), and public awareness, outreach and child screenings (\$5,000).

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 164-O-090. Motion carried 7-0.

**Ordinance 164-O-082: Approve Waukesha County Membership And Participation In The Proposed Marsh Country Health Alliance Commission**

Bellovary, Maurer, and Kutz were present to discuss this ordinance which authorizes County participation in the proposed Marsh Country Health Alliance Commission to address the need for nursing home placements arising out of Adult Protective Services and Guardianship actions. Dodge County has proposed creation of this commission as an alternative to downsizing Clearview Long Term Care and Rehabilitation Center which would significantly and adversely impact the County's ability to appropriately and cost effectively provide for the care and treatment of Waukesha County citizens.

Maurer advised the commission is a result from flat Title 19 reimbursement rates which continue to be a problem for counties in the nursing home business. As nursing homes downsize, less choices are available and the result is a higher percentage of Title 19 clients in county nursing homes. This results in less private pay to help balance it out. Waukesha County got out of the nursing home business and began looking for facilities in other counties. The Dodge County facility is a nursing home but also

takes behaviorally challenged clients. Maurer said counties that take out-of-county clients are losing money and as the percentage of Title 19 clients increase, they are losing even more money.

The County currently has 26 clients placed at the Dodge County facility. Based on the current assessment rate proposal using 2004-2008 client days, the County's portion of the cost is estimated to be about \$522,000 or approximately \$55 per day per client. The cost estimate for 2010 is expected to be approximately \$400,000 based on an assumed start date of April 1, 2010. The 2010 budget includes \$255,155 for our clients placed at the Dodge County facility. The department has also requested County Board approval to carryover \$175,000 of expenditure appropriations to the 2010 budget which was funded in 2009 for this same purpose. The estimated daily rate of providing comparable care and placement of each client ranges from \$250 to \$281 per day without Medical Assistance funding. Therefore, the department indicates that the total estimated annual cost for 26 clients could be up to \$2.67 million versus the estimated \$522,000 assuming the County could find sufficient alternative service providers capable of caring for these difficult to place clients.

MOTION: Heinrich moved, second by Zaborowski to approve Ordinance 164-O-082. Motion carried 7-0.

#### **Year-End Investments Report**

Ries discussed the year-end investments report in detail which included information on investment yield, investment revenue, average daily balance, valuation at market, total County investment income, investment portfolios, etc. The return for the fourth quarter was down 24 basis points from the third quarter, to 0.77% while the overall return on investments in 2009 was 3.54%.

MOTION: Tortomasi moved, second by Heinrich to approve the year-end 2009 investments report. Motion carried 7-0.

#### **Annual Report on Current Interest Allocations**

Ries referred to his handout entitled "Summary of Current Interest Allocations" which included information on which fund the interest has been allocated to, authorization (via Federal, County or State law), the County's rationale, and prior interest allocations that have been rescinded.

MOTION: Wimmer moved, second by Meyer to approve the annual report on current interest allocations. Motion carried 7-0.

MOTION: Hutton moved, second by Wimmer to adjourn at 2:30 p.m. Motion carried 7-0.

Respectfully submitted,

Pamela Meyer  
Secretary